

former Chevrolet dealer, named Eddie McGinnis, in Fort Worth, Texas, to pursue the sale of our store. While momentarily my mother was induced to leverage three million dollars against our recent Pontiac-Buick-GMC development in mid-August 2008, I have managed to 'catch my breath' in the face of approximately nine (9) months of demands from various creditors. My 79 year old mother, my 60 year old brother (and his family of four), and I are all completely dependent on an estimated 50 to 60 thousand dollars of monthly income from our operations. I am understandably very disturbed, sick to my stomach, and 'mad as a hornet.'

"We currently have one (1) new vehicle remaining in inventory on our 17 acre tract and have only emergency cash with which to continue operating. In this 'pressure-cooker', our family's approximate real estate and business-related assets are being diminished to a 'fire sale' value. In mid-July of this year, as dealer principal of the two franchises, I had to reverse a 56 year pathway of progress in managing the continuation of our 50-year heritage, realizing that a final attempt to secure a real estate/floor plan loan, even based on asset value, might be forsaken.

"The following actions of GM and/or its financial arm (wholly owned until ***, 2006, and a 49% owner thereafter), being GMAC, have aided and assisted to place Forrest Pontiac-Buick-GMC and Forrest Chevrolet-Cadillac in the current position they are in, the bankruptcy proceedings notwithstanding:

- "1. Suspension of Forrest Chevrolet-Cadillac, Inc.'s, dealer floor plan agreement by GMAC on May 26, 2008;
- "2. Suspension of Forrest Pontiac-Buick-GMC, Inc.'s, dealer floor plan agreement by GMAC on May 26, 200;

- “3. Violations by GMAC of both Forrest Chevrolet-Cadillac, Inc., and Forrest Pontiac-Buick-GMC, Inc., floor plan agreements, from 1990-current 2009, by utilizing the following tactics:
- a. Imposing high-risk interest rates unrelated to agreed interest rate formula;
 - b. Imposing unreasonable inventory retirement guidelines when such inventory was originally purchased without repayment restrictions;
 - c. Demanding substantial additions to dealer working capital which contradict the original capital formula;
 - d. Demand that additional dealership and shareholder assets and accounts be designated as lender collateral; and
 - e. Demand that cash collateral accounts be established;
- “4. Massive over shipment of new vehicle inventory from July, 2005 to December, 2005, precipitated by GM’s willingness to endorse an allocation methodology known as ‘TURN-and-EARN’;
- “5. Inducement to build the new Forrest Pontiac-Buick-GMC automobile dealership by refusing multiple requests to relocate and blend Forrest Pontiac-Buick-GMC, Inc., formally located at 2145 North Main Street, Cleburne, Texas, onto the primary, and more than adequate, historical real estate site of Forrest Chevrolet-Cadillac at 2400 N. Main, Cleburne, Texas. The first denial of a Forrest family business plan to make a blended move was from 1994-1996. This plan was blocked, at the very least, by former Pontiac zone manager Jeff Fernandez. The second denial of a Forrest family business plan to make a blended move was from fall, 2001-winter 2004. Two zone managers of General Motor’s business-control entities Chevrolets’ Keith Best, and Pontiacs’ Rick

Beets, 'stonewalled' our emergency request to relocate Forrest Pontiac-Buick-GMC, Inc., to the real estate site of Forrest Chevrolet-Cadillac. My mother and I refused to embellish the onerous language of a new lease agreement demanded by tenant trustee Tom Pernell, Jr., thusly causing our leasehold to default to a 30-day, month-to month basis. Caught in the crossfire of arguments between the two business-control entities for more than a year, we finally decided to begin site excavation on an adjacent piece of property that we owned, knowing that General Motor's preference was to have a stand-alone facility on its own piece of property. At the time that we finally received an official written authority to build a new dealership, in approximately late January/early February 2004, we had already invested over \$1.0 million in the preparatory phase of the development. As the dealership development, that originally was bid at about \$2.0 million by Larry Sandlin of M.T. Building Corp., on a cost plus basis, approached completion, the out-of-pocket cost to Forrest Chevrolet-Cadillac Co., Inc. to build the sister facility reached approximately \$3.2 million;

"6. Based upon information and belief, tortuous interference with my contractual relationship with General Motors by the Jeff England Motor Co., and numerous new car dealers as co-conspirators, based upon information and belief to be Durant Chevrolet in Granbury, Texas, and Lynn Smith Chevrolet in Burleson, Texas, in the time frame summer of 2000 until the present day;

"7. Discrimination by GM in denying our new vehicle franchises appropriate and sustaining levels of new vehicle inventory in its willingness to endorse an allocation

methodology known as 'TURN-and-EARN' in the time frame 1994-1999;

- "8. Inducement by GM to resolve its ill-advised termination of the Oldsmobile brand through the systematic pursuit of confidential side agreements, designed in large part to usurp and/or bypass the scrutiny of state franchise laws and impose irreconcilable, punitive actions toward us, its' franchise holders, in the time frame from December, 2000 until November, 2005;
- "9. Expansion of our (so called) area of primary sales responsibility into the vicinity of Alvarado, Texas, thereby raising our standard of required sales performance, but with no logical explanation, and under protest by me as dealer-operator in the time frame of approximately 1999; and
- "10. Relocation of the Lynn Smith Chevrolet franchise in Burleson, Texas in 1994, effectively altering its allocation methodology toward new vehicle shipments under the definition of metro versus non-metro status and causing preferential treatment toward that dealership that harmed Forrest Chevrolet-Geo-Oldsmobile-Cadillac.

"With, at a minimum, a fair and honest approach and dealing between GM, or 'New GM', and Forrest Pontiac-Buick-GMC Truck, Inc., and Forrest Chevrolet-Cadillac, Inc., and a commitment by GM, or 'New GM', to fairly allocate vehicles, the dealerships can return to profitability and can help GM or 'New GM' return to profitability."

Further affiant sayeth not.



CHARLES MICHAEL FORREST,
Affiant

SUBSCRIBED and SWORN to before me by Charles Michael Forrest, Vice-President of Forrest Pontiac-Buick-GMC Truck, Inc., and Forrest Chevrolet-Cadillac, Inc., on July 29, 2009.



